

across the board

In this issue:

| | |
|---|---|
| Recent EUB Publications and Decisions | 2 |
| EUB Issues Report on Alberta's Energy Reserves | 3 |
| Questions, Complaints, Problems? Who to Contact | 3 |
| Applications Summary | 3 |
| Pending Decisions | 4 |

August 2002

Stakeholder engagement key to relevant regulations

At the EUB, stakeholder input guides and informs regulatory change. Industry, environmental groups, other government departments and agencies, Alberta communities, and individual citizens all have a stake in the responsible development of our energy resources, each with their own particular perspective and emphasis. In order for the EUB to develop sound regulations, it is important that we understand, consider, and balance each of these perspectives. Stakeholder engagement is a key strategy in making this a reality.

Sulphur Recovery Guidelines

The 1999 review of the guidelines for sulphur recovery at sour gas processing plants reflected the EUB's commitment to stakeholder engagement. The review was a joint initiative of the EUB, Alberta Environment (AENV), and the Alberta Department of Resource Development (DRD)—now Alberta Energy.

The stakeholder consultation ultimately involved four components. First, a discussion paper was issued to solicit broad input on the guidelines. Second, the establishment of an independent Sulphur Recovery Guidelines Review Advisory Group, consisting of 10 public, environmental organization, industry, and academic stakeholders, submitted a report in April 2000.

Third, AENV, DRD, and the EUB considered individual stakeholder submissions before developing their report. And finally, meetings took place with industry and public stakeholders as EUB staff finalized new requirements emerging from the review. Stakeholder consultation feedback resulted in recommendations that were incorporated into Interim Directive 2001-03: *Sulphur Recovery Guidelines for the Province of Alberta*.

Guide 60: Upstream Petroleum Industry Flaring Guide

The Clean Air Strategic Alliance (CASA) is a nonprofit association comprising diverse stakeholders from government, industry, and nongovernment organizations. CASA is committed to developing and applying a comprehensive air quality management system for the people of Alberta through a collaborative, consensus-based process.

The EUB was an active member of the 1996 -1998 CASA Flaring Project Team, which reviewed flaring in Alberta. The team developed a report and recommendations for the EUB's consideration, including a framework for the management of routine solution gas flaring and actions designed to achieve its eventual elimination.

As a result of the CASA Flaring Project Team's report, the EUB introduced *Guide 60: Upstream Petroleum Industry Flaring Guide*, which sets out requirements and expectations for upstream petroleum industry flaring and incorporates the recommendations made to the EUB by the CASA team. These included firm flaring reduction targets of 15 per cent in 2000 and 25 per cent in 2001 against 1996 baseline data, both of which were exceeded far earlier than the target dates.

In 2001, a second CASA Flaring and Venting Project Team reviewed flaring and venting issues. In June 2002, CASA presented recommendations for the management of solution gas flaring and venting, gas plant flaring, and well test flaring to the EUB. The EUB will consider these recommendations as we review and update *Guide 60* later this year.

Rules of Practice and Cost Policies

In 1995, the Alberta Energy Resources Conservation Board (ERCB) and the Alberta Public

(continued on page 2)

New Electronic Web Notification Requirements for Field Inspection System

The EUB Field Surveillance Branch is developing a new field inspection system (FIS). This system will replace the existing nonintegrated main-frame systems (RIG, PSS, ENV, LSS) that were developed 10 to 15 years ago and do not reflect current business practices and processes.

Phase 1 of the implementation of FIS will begin this summer, when notifications for Commencement of Drilling, Start of Pipeline Construction, or Pipeline Pressure Test must be filed electronically through the EUB's Web site at <www.eub.gov.ab.ca> which links to the FIS system.

About the EUB

Our mission is to ensure that the discovery, development, and delivery of Alberta's resources take place in a manner that is fair, responsible, and in the public interest. We regulate oil, natural gas, oil sands, coal, hydro and electric energy, pipelines, and transmission line development. On the utilities side, we regulate investor-owned natural gas, electric, and water utilities to ensure that customers receive safe and reliable service at just and reasonable rates. Regulation is done through four core functions: adjudication and regulation, applications, surveillance and enforcement, and information.

Stakeholder engagement key to relevant regulations (continued from page 1)

Utilities Board (PUB) merged into the EUB, and although their practices were relatively close in many areas, there was a need to bring conformity and consistency to their respective areas. The EUB embarked on extensive consultation with many Albertans who had been involved in various EUB energy and utility proceedings over the past several years.

The EUB's review of its *Rules of Practice* and cost policies and procedures for its energy and utility proceedings was comprehensive and con-

sultative. Activities included issuing general bulletins asking for stakeholder input on discussion papers, drafts posted on the EUB Web site for feedback, two EUB-sponsored public workshops to discuss cost policy issues, and additional responses from interested parties.

Finally, in August 2001, the EUB issued a revised *Rules of Practice*, which includes updated cost policies for all energy and utility proceedings. The *Rules of Practice* gives information about EUB proceedings, such as prehearing meetings, hearings, information requests, technical meetings, settlement meetings, and the filing of written evidence. The EUB also updated two intervener funding guides: *Guide 31A: Guidelines for Energy Cost Claims*, and *Guide 31B: Guidelines for Utility Cost Claims*.

Energy Development: A Cooperative Venture

The EUB is responsible for the economic, orderly, and efficient development in the public interest of the energy resources of Alberta. When considering energy development applications, the EUB is obligated to treat all parties fairly. This fairness of treatment requires that all parties who are or may be directly and adversely affected are entitled to be made aware of energy developments, to voice their concerns, and to have their concerns heard.

The EUB recognizes that all energy developments may affect landowners,

residents, and people working in the area, as well as local authorities. The EUB considers it paramount that effective communication take place among industry, government, and the public so that concerns may be raised, properly addressed, and, if possible, resolved. All parties should work cooperatively for the energy development process to be effective.

EUB Guide 56: Energy Development Application Guide provides details on the requirements for wells, pipelines, and surface facilities as defined in the acts, regulations, and policies of the EUB. The EUB offers assistance through its staff to both industry and the public to ensure the opportunity for proper representation of their views.

Assistance to industry includes EUB staff helping new applicants or applicants experiencing difficulty in understanding the EUB's requirements, preapplication consultation for complex applications, and help in assessing sour gas well potential release rate calculations.

Assistance to the public includes the option to ask EUB staff for help in understanding the EUB application process and technical matters, facilitation and mediation options through the Appropriate Dispute Resolution program, the requirement of a mandatory information package from industry to locally affected residents, and the up-front review of critical sour gas wells that have a large release potential or are close to people.

Regulations continually evolve to ensure that the EUB's regulatory system is fair, efficient, and reflective of a progressive and responsive regulatory framework. Through stakeholder engagement, the EUB finds the balance among different groups' perspectives and accomplishes the mission to ensure that the discovery, development, and delivery of Alberta's resources take place in a manner that is fair, responsible, and in the public interest. ❖

Regulations continually evolve to ensure that the EUB's regulatory system is fair, efficient, and reflective of a progressive and responsive regulatory framework.

For Your Information...**Recent EUB Publications****Publications**

June 18: Letter to All Operators 2002-06-17: Well Test Capture (WTC) Review Invites Feedback from Operators

June 11: ADR Annual Report for 2001 and ADR Annual Report for 2001 Summary

June 11: Making Synergy Real - Conference Proceedings, February 25 & 26, 2002

News Releases

June 20: News Release 2002-06-20 (NR 2002-13): EUB Approves Final 2002 Electricity Rate Riders for UtiliCorp and ATCO Electric

June 11: News Release 06-11-2002 (NR 2002-12): EUB Approves Canadian Crude Separators Applications for an Oilfield Waste Management Facility and Associated Facilities

June 11: News Release 2002-06-11 (NR 2002-11): EUB Releases First Annual Report on Appropriate Dispute Resolution Process

Informational Letters

June 18: IL 2002-02: Strength and Leak Pressure Testing of Pipelines Using Gaseous Test Media

Recent Decisions

June 19: Decision 2002-054: Omnibus Decision 2000 Pool Price Deferral Accounts - Part S, 2000 Outstanding Matters Deferral Accounts (Other Than Pool Price) - Part H, Other Distribution Tariff Riders

June 18: Decision 2002-053: Prince Resource Corporation, Richard Yu, Review of Abandonment Costs Order No. ACO 2000-1

June 11: Decision 2002-055: Canadian Crude Separators Inc. Applications to Construct and Operate an Oilfield Waste Management Facility, Drill a Disposal Well, Construct and Operate a Pipeline, and Operate a Disposal Scheme, Edson Field

June 7: Decision 2002-056: Memorandum of Decision Prehearing Meeting NOVA Gas Transmission Ltd. (NGTL) Gas Transportation Tariff Review Carbon Dioxide Gas Quality Requirements

Recent AGS Publications

June 25: Earth Sciences Report 2002-12—Quaternary Geology and Till Geochemistry, Wapiti Map Area. Authored by Mark Fenton and John Pawlowicz

EUB issues report on Alberta's energy reserves

Albertans now have an updated picture of our province's energy reserves and supply/demand outlook with the release of the EUB report *Alberta's Reserves 2001 and Supply/Demand Outlook 2002-2011*. The report includes estimates of reserves, production volumes for 2001, and a 10-year supply/demand forecast for each resource.

Highlights of this year's report include the fact that in 2001 bitumen production surpassed conventional crude oil production for the first time. The EUB expects increases in annual volumes of bitumen production to continue to occur as additional production comes on stream.

A comparison of conventional oil production and bitumen production over the last 10 years clearly shows a trend towards a larger percentage being allocated to bitumen. This allows the province to offset the expected decline in conventional oil with bitumen production.

Alberta's Reserves 2001 and Supply/Demand Outlook 2002-2011 provides the EUB, landowners, communities, industry, and government with one of the most reliable sources of this important information and includes details on crude oil, crude bitumen, natural gas, natural gas liquids, sulphur, and coal.

Providing information to support good decision-making is a key EUB service. The EUB believes that making energy resource data available to all stakeholders results in better decisions that affect the development of Alberta's resources.

The report also notes the EUB's expectation that natural gas production will decline over the second half of the forecast period.

Making energy resource data available to all stakeholders results in better decisions that affect the development of Alberta's resources.

As well, Alberta's 2001 total oil production from all sources was 243 000 cubic metres (m³)/day (1.53 million barrels/day)—about the same as in 2000. Production is fore-

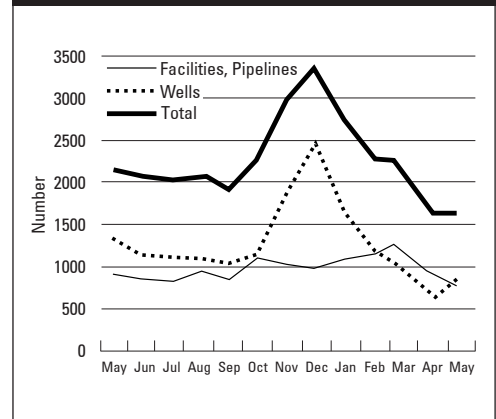
cast to reach 424 000 m³/day (2.7 million barrels/day) by 2011, an increase of about 75 per cent over 2001 levels.

At the end of 2001, Alberta's remaining established reserves of natural gas stood at 1 184 billion m³ (42 trillion cubic feet). While new drilling has not fully replaced gas production since 1982, last year's record drilling added new reserves, replacing 67 per cent of the production for 2001, compared to 90 per cent in 2000. These estimates do not include coalbed methane, which may offer options for supplementing the supply of conventional gas in the future. ❖

Applications Summary

| Facilities applications, 2002 | May |
|-------------------------------|-------|
| Production facilities | .110 |
| Pipelines | .670 |
| Wells | .895 |
| Total received | .1675 |
| Total approved | .1695 |
| Closed | .17 |
| Withdrawn | .45 |

Facilities applications, May 2001 - May 2002



| Resource applications, 2002 | May |
|---|------|
| Equity (rateable take, common carrier, common purchaser, common processor, compulsory pooling, special spacing) | .55 |
| Conservation (resources – oil, gas, and in situ bitumen; gas removal, enhanced recovery, water disposal, concurrent production, underground storage, commingled production, reserves) | .132 |
| Depletion administration (good production practice, penalty relief) | .17 |
| Corporate (transfer) | .10 |
| Mining (coal and mineable oil sands) | .2 |
| Total received | .216 |
| Total completed | .256 |

| Utilities applications, 2002 | May |
|------------------------------|-----|
| Electric | .15 |
| Gas | .1 |
| Facilities | .9 |
| Franchises and others | .16 |
| Total received | .41 |
| Total completed | .13 |

| Corporate transfers and name changes, 2002 | Mar |
|--|-------|
| Well licence transfers | .1982 |
| Well licence name changes | .981 |
| Pipeline licence transfers | .233 |
| Facility licence transfers | .298 |
| Total received | .3494 |
| Total completed | .3390 |

Questions, Complaints, Problems? Who to contact...

Utilities—For general information or to file a consumer utility complaint, please contact us at

EUB Utilities Branch, 10th floor,
10055-106 Street,
Edmonton, Alberta T5J 2Y2
Telephone: (780) 427-4901; Fax: (780) 427-6970
Complaints: (780) 427-4903
E-mail: utilities.concerns@eub.gov.ab.ca

Oil and Gas—For information or complaints about new or existing oil and gas developments and facilities, we recommend contacting the operating company first. If the company doesn't respond appropriately, you may contact the nearest EUB Field Centre (see list), all of which provide 24-hour on-call service.

EUB Field Centres (24-hour on call)

| | |
|----------------|-----------------|
| Bonnyville | (780) 826-5352* |
| Drayton Valley | (780) 542-5182* |
| Grande Prairie | (780) 538-5138* |
| Medicine Hat | (403) 527-3385* |
| Midnapore | (403) 297-8303* |
| Red Deer | (403) 340-5454* |
| St. Albert | (780) 460-3800* |
| Wainwright | (780) 842-7570* |

* To call toll free from anywhere in Alberta, dial 310-0000 and enter the phone number, including area code, or press zero for a RITE operator.

For a complete list of upcoming public hearings, visit the EUB Web site at
www.eub.gov.ab.ca/bbs/applications/hearings/hearings.pdf.
 If you do not have Internet access, contact EUB Information Services at (403) 297-8190.

Pending Decisions

| Application No. | Applicant | Hearing Purpose | Hearing Dates | Actual Hearing Days |
|---|---|--|---|---------------------|
| 1058461 et al. 1078980 | Anderson Exploration Ltd. Anderson Exploration Ltd. | Approval to produce gas Section 43 review of Applications No. 1069381, 1069382 - Approval to produce gas | Nov 26/01 - May 22/02 Final reply | 66 |
| 1086353 | Franco-Nevada Mining Corporation Ltd. | Section 42 review of Applications No. 1039410, 1047055 - Approval to produce gas | June 28/02 | |
| 1073875 | Anderson Exploration Ltd. | Review of the impact of continued gas production on bitumen recovery | | |
| 1062688 et al. 1085736 et al. 1085793 | AEC Oil and Gas (AEC) BP Canada Energy Company Petro-Canada Oil and Gas | Approval to produce gas Approval to produce gas - Leismer field Shut-in gas production - Chard area | | |
| 1089982 et al. 1090128 et al. 1256085 | Paramount Resources Limited Rio Alto Exploration Ltd. PanCanadian Resources Corporation | Approval to produce gas Approval to produce gas Application to shut in gas in the Christina Lake area | | |
| 1097090 | EUB Staff Submission Group | Potential impact of gas production on bitumen recovery | | |
| 1247777 1269154 | Centrica Canada Limited | Application to construct and operate a sweet gas pipeline and sweet oil effluent pipeline. Application No. 1269154 is the proposed alternative pipeline route. - Bruderheim area | Jun 20 & 21/02 Final reply July 23/02 | 2 |
| 2000233 2000234 | ATCO Electric Ltd., ATCO Gas and Pipelines Ltd., Northwestern Utilities Limited | Affiliate transactions and code of conduct <i>(To be split into 2 decisions - GRA Decision expected by end of April, Code of Conduct to follow by end of May)</i> | Sept 17 - 27, Nov 16/01 Board Letter Dec 18/01 | 14 |
| 1237639 | ATCO Gas - South (a division of ATCO Gas and Pipelines Ltd.) | Carbon Storage Transfer | Mar 11-21, Apr 18/02 Final reply May 1/02 | 9 |
| 1252145 | ATCO Electric Ltd. | Adjustments to the transmission and distribution revenue requirements for changes in the booked deferred taxes from the placeholders incorporated into the 2001-02 transmission and distribution negotiated settlements. | Written proceedings Final reply May 28/02 | |
| 1246585 | ESBI Alberta Ltd. | Refiling of Valleyview TMR | Feb 5/02 Final reply May 31/02 | 1 |
| 1243378 | Mr. And Mrs. Lung Tak Lo | Application to have utility charges assessed by the Town of Claresholm in 1992 waived on the basis that the charges were the responsibility of the tenant, One Way Holdings | Jun 11/02 Final reply June 14/02 | |
| 1251218 | ATCO Electric Ltd. | 2001/2002 Distribution Tariff - 2002 Investment and Contribution Policy Module | May 14-16/02 Final reply June 20/02 | 3 |
| 1244123 1247885 | ATCO Electric Ltd. | 2002 - 200X RROT Non-Energy Costs Application 2002 RROT Energy Supply Application | Written proceedings Final reply June 26/02 | |
| 1256707 1255685 | Rural Electrification Associations EPCOR Energy Services Inc. | 2001 RROT Shortfall & Recovery Recommendation 2001 RRO Collection Shortfall Application - Town of Ponoka | | |
| 1252410 | EPCOR Energy Services Inc. | 2001 RRO Collection Shortfall for the City of Edmonton | | |
| 1248859 | ESBI Alberta Ltd. | Consideration of transmission congestion management principles and recommendations | Apr 22 - Jun 13/02 Final reply Aug 2/02 | 25 |
| 1244140 | ESBI Alberta Ltd. | Article 24 Compensation - Rainbow and Rosedale | Mar 11-15, 20-22/02 Final reply Sept 6/02 | 8 |

across the board is published by the Alberta Energy and Utilities Board (EUB).

Information in this publication may be reproduced or quoted without permission as long as the EUB is credited.

Subscriptions are available by e-mail and mail.

Please call (403) 297-8970 to subscribe.

All issues are available on our Web site at www.eub.gov.ab.ca

Tell us how we're doing

What information did you find useful? What do we need more/less of? Please send your comments and suggestions to acrosstheboard@eub.gov.ab.ca

For EUB publications or general inquiries, contact EUB Information Services

640-5 Avenue SW, Main Floor
 Calgary, Alberta T2P 3G4
 Telephone: (403) 297-8190
 Fax: (403) 297-7040
 E-mail:
eub.info_services@eub.gov.ab.ca
 EUB Web site: www.eub.gov.ab.ca

Information Services sales and pickup counter service is open weekdays from 9:00 a.m. to 3:00 p.m. Phone orders may be placed between 8:00 a.m. and 3:30 p.m. Please note that most documents may be viewed at Information Services or on our Web site for free, but there are fees for a paper copy of many publications.

For Alberta Geological Survey (AGS) documents on geological research:

Information Sales
 4th Floor, Twin Atria
 4999-98th Avenue
 Edmonton, Alberta T6B 2X3
 Telephone: (780) 422-2767
 Fax: (780) 422-1918
 E-mail:
EUB.AGS-InfoSales@gov.ab.ca
 Web: www.ags.gov.ab.ca

Across the Board Advisory Committee

Diane Earle
 Greg Gilbertson
 Barbara Kapel Holden
 Harry Lillo
 Becky Torrance

Editor: Brenda Poole Bellows